

The determinants of housework time

Boosting the efficiency of household production could have large economic effects

Keywords: housework, gender, home production, tax policy, outsourcing

ELEVATOR PITCH

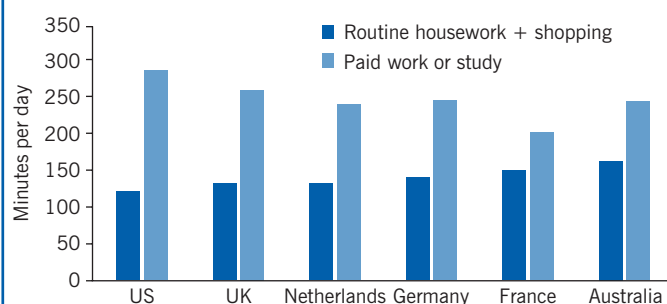
The time household members in industrialized countries spend on housework and shopping is substantial, amounting to about half as much as is spent on paid employment. Women bear the brunt of this burden, driven in part by the gender wage differential. Efforts to reduce the gender wage gap and alter gendered norms of behavior should reduce the gender bias in household production time and reduce inefficiency in home production. Policymakers should also note the impact of tax policy on housework time and its market substitutes, and consider ways to reduce the distortions caused by sales and income taxes.

KEY FINDINGS

Pros

- ⊕ Household production yields valuable services and constitutes an important sector of the economy.
- ⊕ Gender differences in housework time that are caused by gender differences in opportunity costs or productivity are efficient.
- ⊕ Some observed differences in housework time could be attributable to preferences; the limited evidence available on preferences suggests that, on average, women prefer housework more than men do.
- ⊕ Evidence suggests that the time spent on home production has decreased while reliance on market substitutes has increased.
- ⊕ Gender differences in housework time have been declining and may be contributing to reduced gender differentials in earnings.

Housework time constitutes about 50% of time spent on employment and education in most countries



Source: Based on Figure 1.

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Cons

- ⊖ Contributions in the household sector are often undervalued, leading to underestimates of economic well-being.
- ⊖ Gender differences in housework time caused by social norms or discrimination are not efficient.
- ⊖ Income taxes distort incentives and lead individuals, especially women, to allocate more time than is socially optimal to household production.
- ⊖ Women who spend more time on housework have been found to earn lower wages, suggesting a vicious cycle, with wage differentials driving allocations to housework time and vice versa.
- ⊖ The value households place on market purchased versus home produced goods is uncertain, but sales taxes likely distort households' choices.

AUTHOR'S MAIN MESSAGE

Substantial resources are devoted to household production, and boosting efficiency in this sector could have large economic effects. A number of policies could support this effort. Sales and income taxes motivate people to spend time on housework that would be better spent on other activities. Basing tax rates on individual rather than household earnings would reduce such incentives, particularly for women entering couple households. Policies to reduce labor market discrimination and discourage gendered norms of behavior would further enhance efficiency, but any gender differences in housework time that reflect different preferences or abilities are appropriate.